

1 place.

2 Q. But you don't remember that you were actually there when he told Li Ying  
3 Hwa and Xu Jing Ji that they didn't have a job any more?

4 A. No, I didn't . . .

5 A. DEPONENT (in English): No, I don't know.

6 Q. Okay. Is your, is your answer you don't know, you don't remember or you  
7 weren't there?

8 A. TRANSLATOR: As I recall, two of them . . . as I recall, two of them were  
9 already unemployed. One person was still working. The two that was already unemployed  
10 collected the one that was working and then got together and this whole thing came about.  
11 And as I recall all the salary was paid. And, also I don't understand why Mr. Kim Hang  
12 Kwon is in Korea.

13 Q. Is he?

14 A. DEPONENT (in English): No, no, no good.

15 Q. Is he, Mr. Kim, is Mr. Kim Hang Kwon in Korea or is he in Saipan?

16 A. I haven't seen him for about two years. I heard he was in Korea.

17 Q. You haven't seen him in two years?

18 A. DEPONENT (in English): Yes.

19 Q. Do you know somebody, somebody told me the other day that they saw you  
20 and him at a wedding together. Korean wedding.

21 A. You bring the person who said that.

22 Q. Here in Saipan.

23 A. You bring the person who told you that.

24 A. DEPONENT (in English): Mr. Kim two year's. Why?

1 Q. That was Mr. Kim at the wedding?

2 A. I don't remember. Who? You bring the person.

3 Q. That's not true?

4 A. Yeah true.

5 Q. No, no, I mean you. You weren't at the wedding with Mr. Kim?

6 A. DEPONENT (in English): Mr. Kim. Long time Korea. Why together?

7 A. I wish Mr. Kim was here.

8 Q. Doesn't he have the new poker place over there by the Post Office?

9 A. \Maybe the son.

10 Q. The son's not here

11 A. I don't know. I'll be happy if Mr. Kim Hang Kwon is here.

12 Q. You got his house now. What are you doing with the house?

13 A. Whose house?

14 Q. Mr. Kim's.

15 A. Again.

16 Q. Susupe, the house.

17 A. DEPONENT (in English): Me?

18 Q. Yeah.

19 A. DEPONENT (in English): Yes.

20 Q. You have the house now. That's your house now.

21 A. That's from the auction.

22 Q. Yeah. What are you doing with that house?

23 A. I use it for ... it's not rented out, so if somebody comes in from Korea, I let  
24 them use it for ah, family, relatives.

1 Q. Let's go back. How did you know that the two, the two unemployed that took  
2 the other one, that was still employed, out of the company? How did you know about all  
3 that?

4 A. Before Mr. Kim Hang Kwon went to Korea, he heard it from Mr. Kim.

5 A. Mr. Li and Mr. Hua, Mr. Li and Mr. Hua was already unemployed and he  
6 collected the third person so he, together with those two, got together.

7 Q. And then they filed the law suit, right.? Wait, wait, wait, ask the question.

8 A. And if the salary wasn't paid every month ... if the salary wasn't paid, month  
9 by month, how would they have survived? So I don't understand why Mr. Kim Hang Kwon  
10 is in Korea.

11 Q. When did Mr. Kim, when did you know about all of this? When I say all of  
12 this ....

13 A. 2006. February or March, because he, Mr. Kim said his wife was sick as well.  
14 I don't understand why Mr. Kim is not here and I'll be happier if he was here.

15 Q. The . . . but also didn't you tell me before that you read about it in the  
16 newspaper?

17 A. Yes from the newspaper.

18 Q. And you also talked to Mr. Kim about it on the golf course?

19 A. But before that, but before that it was never talked about. And I wasn't  
20 interested.

21 Q. But you did find out about it through the newspaper?

22 A. Yes, from the newspaper.

23 Q. What was that, you read a story about how they had filed a lawsuit?

24 A. About, a story about sex.

1 Q. One of them is claiming sexual harassment?

2 A. I don't know.

3 Q. But it was a story about how they had filed a lawsuit against Kim and Park and  
4 Jung Jin and Asia Enterprises.

5 A. The headline.

6 Q. In a Korean newspaper or English newspaper?

7 A. Marianas Variety.

8 A. DEPONENT (in English): I thinks.

9 Q. You saw it in the Marianas Variety?

10 A. Yes, and also there was an advertisement about selling poker and the place and  
11 all that before that came about.

12 Q. You saw that too, right?

13 A. Yes.

14 Q. That was an exhibit to your deposition, also, I'll show you exhibit ...

15 A. DEPONENT (in English): Yes, yes.

16 Q. This one?

17 MR. HANSON: It have the original somewhere. I think it's in a box I gave you.

18 A. I think this was before the lawsuit.

19 Q. This is before they transferred all of this property to you, right?

20 MS. BUTCHER: Does that have a date on it?

21 A. Yes.

22 MR. HANSON: you have the original newspaper? Yeah, the whole page is there, I  
23 can't tell you right now what date it is but...

24 DEPONENT (in English): The Korean Times.

1 MR. HANSON: The Korean times, the whole page is there.

2 Q. The Korean Times, you saw this too, right.?

3 A. Yes.

4 Q. What did you think about that, when you saw that?

5 A. I thought strange.

6 Q. Why?

7 A. I just thought it was strange. I didn't even ask.

8 Q. You didn't . . . did you call Mr. Kim or Ms. Park, after you saw that in the  
9 newspaper?

10 A. No, not just then. No.

11 Q. Did you, did you get worried at all?

12 A. No, it's not my business.

13 Q. It's not your business?

14 A. This? Because this was before. It was their business.

15 Q. Now. In December 31<sup>st</sup> 2005, is that right? Is that when you took over all of  
16 the Laundromat and the poker, the Welcome Laundry and Welcome Poker? Or January 1,  
17 2006?

18 A. Not a takeover.

19 Q. What would you call it?

20 A. That was the mortgage she gave us. Promise for the pay back.

21 Q. And you just took over the Welcome Laundry, Welcome Poker and Welcome  
22 Market, pursuant to the mortgage, right?

23 A. Yeah, but only the machines Poker machines. Laundry machines.

24 Q. So did you take the laundry machines and move them somewhere?

1 A. No.

2 Q. Did you take the poker machines and move them somewhere?

3 A. No.

4 Q. Did you fire all the employees and hire new employees for the poker place and  
5 for the Laundromat?

6 A. No, because, because I don't have any experience with the Laundromat.

7 Q. So you kept the same employees?

8 A. Not all of them.

9 Q. But most of them, right?

10 A. All the laundry employees, but not the poker.

11 Q. Okay. Did you change the signs outside the building?

12 A. Yes, I did.

13 Q. Right away?

14 A. Not, not right away, but Welcome is . . . it's in good terms so I left it.

15 Q. You continued to use the name "Welcome Laundry" because everybody knew  
16 that name?

17 A. Not because people knew that place, but the meaning of Welcome is good, we  
18 kept it. I kept it.

19 Q. You kept the sign up that said Welcome Laundry?

20 A. Yes, but eventually I changed it.

21 Q. When did you change it?

22 A. A few months later.

23 Q. Are you sure? I have photographs, when did you change it?

24 A. Who has the photographs?

1 Q. I do.

2 A. Oh no, I don't know.

3 Q. Maybe a couple of years later?

4 A. A few months, I don't remember, about three months.

5 Q. How much longer was it after you, after January 2006 that you took down the  
6 Welcome Laundry sign?

7 MS. BUTCHER: If you have pictures, you should show him the pictures.

8 A. TRANSLATOR: I don't remember.

9 Q. You think it was like three months?

10 A. More than three months.

11 Q. It was a long time, right?

12 A. I don't know exactly.

13 Q. Did you take them down, before or after, we brought you back into this  
14 lawsuit?

15 A. Maybe during the lawsuit.

16 Q. Before or after the auction where you bought the Susupe house?

17 A. Before the auction.

18 Q. Are you sure?

19 A. Yes.

20 Q. Okay. Now let's talk about the – you bought the San Vicente building, right?

21 A. Yes.

22 Q. You paid \$250,000 for that, right?

23 A. Yes, twenty . . . 250,000.

24 Q. And, when was that?

1 A. 2004, at the end of 2004.

2 A DEPONENT (in English): 2004 or 2005... [not translated]

3 Q. Here I'll show you, I'll just show you the first page of what's been previously  
4 Bates stamped KSK document number 234. Do you recognize that?

5 A. DEPONENT (in English): Yes.

6 Q. The first page of an assignment of lease, right?

7 A. DEPONENT (in English): Yes.

8 Q. It's between Joo Dai Hyung . . .

9 A. DEPONENT (in English): Joo Dae Hyung

10 Q. So right. And is that, that's the assignment of lease where you bought the San  
11 Vicente building, is that right?

12 A. Yes.

13 Q. Does that help you remember about what date that was?

14 A. 2004, maybe.

15 Q. Look at the document, take your time.

16 A. DEPONENT (in English): 2005 it was, 2005 yeah, yeah.

17 Q. Okay, that, that, that document is dated March 28, 2005, isn't that right?

18 A. DEPONENT (in English): Yes.

19 Q. Is that when you paid them?

20 A. Because I didn't pay all the money at, at once. I remember it was a verbal  
21 agreement that was made before and then from then a few payments were made.

22 Q. Okay, when was the verbal agreement? Do you think that was in 2004?

23 A. October, November 2004.

24 Q. And then when did you give, make his, your first payment?



1 A. Same time, October, November of 2004.

2 Q. And how much was that payment?

3 A. I cannot recall, I need to look at the receipt.

4 Q. You have a receipt?

5 A. Yes, I have it in the house.

6 Q. About, but, was it a big payment or a small payment? It's \$250,000 right?

7 Was it half, was it? I mean try to give me a little bit of an idea of how much.

8 A. It was, it was four or five different payments.

9 Q. Right. Was each payment the same or ...

10 A. DEPONENT (in English): Difference.

11 Q. Okay, the first payment was, 10 per cent is \$25,000, right? Was it 10 per cent

12 down? I don't need exact numbers right now. I'm trying to get an idea of how much...

13 A. Maybe 30,000.

14 Q. Okay. And then the second payment, when was that?

15 A. The payment was completed from 2004, October, November of 2004 until the

16 March of 2005.

17 Q. So from...

18 A. And that's how the...

19 Q. From October or November 2004 through March 2005, you paid Mr. ...

20 A. DEPONENT (in English): Cho

21 Q. Mr. Cho Dai Hung...

22 A. DEPONENT (in English): Yes.

23 Q. \$250,000.

24 A. DEPONENT (in English): Yes.

1 Q. Cumulative for the San Vicente building?

2 A. Yes.

3 Q. Did you have to borrow any money to pay Mr. Cho?

4 A. Yes. I brought some money from Korea.

5 Q. You brought some money from Korea, is that from your sister-in-law?

6 A. Kim Sung Min.

7 Q. Oh.

8 A. The sister-in-law, Kim Sung...

9 Q. How much money did she give you?

10 A. 80,000.

11 Q. And that's your...

12 A. I don't remember exactly.

13 Q. About 80,000 you think?

14 A. Between 80,000 to 100,000.

15 Q. Do you have any documents that show how much she loaned you?

16 A. No documents.

17 Q. And that's your wife's sister, right?

18 A. Yes.

19 Q. Have you paid her back any of that money?

20 A. I still haven't paid her back.

21 Q. Okay, did you have to borrow any other money?

22 A. And, from Yoon Ja's mom.

23 Q. Yoon Ja's mom. How much money did you have to borrow from Yoon Ja's  
24 mom?

1 A. Five, six, I mean around fifty, 60,000.

2 Q. And in that one there's no promissory note or anything to show...

3 A. No. That, I believe it's already paid back from Kea.

4 Q. When, when was that paid back?

5 A. That I don't know.

6 Q. What year?

7 A. 2006, 2007.

8 Q. Well wait a minute, wait a minute, wait a minute, wait, wait, wait. You say it  
9 was paid back by the Kea. It was paid back \$ 2,000 on... [interrupted]

10 A. The money was installed in, the money was...

11 Q. So you paid, you paid \$2,000 a month for the Kea, on her behalf, on Yoon Ja's  
12 mom's behalf, is that right?

13 A. Yeah, to the Kea, 2,000 a month on behalf of Yoon Ja's mom.

14 Q. And those last, at least 30 months, 30, 30 months?

15 A. 31 months.

16 Q. Is it over yet?

17 A. Yeah it's already finished. I believe it was never really completed because the  
18 Kea Chu ran away. Towards the end, so the last few didn't receive.

19 Q. Did Yoon Ja get her money out of the Kea? Yoon Ja's mom?

20 A. Yes she did.

21 Q. Do you know when she got her money out?

22 A. Sometime in 2006.

23 Q. Sometime in 2006. Alright. Did you have to borrow any other money?

24 A. 70,000.

1 Q. From who?

2 A. Seo Yong Ki.

3 Q. Seo Yong Ki. 70,000. Did you pay him back yet?

4 A. Yes.

5 Q. Where did you get the money to pay him back?

6 A. I got the loan from the bank of 100,000.

7 Q. Okay. So we got . . . let's . . . best case scenario, \$230,000 in three months  
8 borrowed from Kim Sung Min, Yoon Ja's mom and Seo Yong Ki?

9 A. Yes.

10 Q. Did you borrow any money from anybody else?

11 A. No.

12 Q. And so you had another, at least, twenty or say twenty or 30,000 of your own  
13 money to buy the San Vicente building?

14 A. Okay. Mr. Cho Dai Hung also bought the machines, four poker machines  
15 from me.

16 Q. Alright. How much for each poker machine?

17 A. Maybe 3,000.

18 Q. Were they licensed?

19 A. No it was the, it was in the stock.

20 Q. Do you know how much they cost new?

21 A. Maybe 3,500 new. But he, he also said, out of that 250,000, I asked for a 10  
22 per cent discount, but he didn't, but instead he took, he got the poker machines.

23 Q. So you didn't have to put any of your own money in? No.

24 A. No. All the others were paid back except my sister-in-law's money.

1 Q. No, no, no, I mean by March 2005 when you gave Cho, all the \$250,000. Was  
2 any of that 250,000 your money, as opposed to money that you had borrowed from somebody  
3 else?

4 A. No.

5 Q. And that's good because it's right at the same time you were giving Mr. Kim  
6 \$100,000, right?

7 A. When?

8 Q. At about the same time.

9 A. Yes.

10 Q. Wasn't that pretty bad timing for you to, to go out and give \$100,000 to Mr.  
11 Kim and Ms. Park, when you needed \$250,000 to buy the building?

12 A. That, that I didn't know about then, but the money for the building was already  
13 prepared ahead, before, before it was completed, the payment was completed. And because  
14 Mr. Kim had his business.

15 Q. Alright. You said Mr. Kim approached you in about October 2004 and asked  
16 for a \$100,000 loan. Is that right?

17 A. Yes.

18 Q. You said on December 1<sup>st</sup> 2004 you gave him \$100,000, is that right?

19 A. Yes.

20 Q. And you had to get money from your money in Korea, and some of your  
21 money here . . . \$40,000 of it, and you gave that to Mr. Kim on December 1<sup>st</sup> 2004? Isn't that  
22 right?

23 A. That was a very difficult decision to make but he had to, I had to buy the  
24 building, in order not to get kicked out of the building.

1 Q. Okay, I understand. What I don't understand is, at the same time you're doing  
2 all this to give Mr. Kim \$100,000, you've got a verbal agreement, and you're going around  
3 collecting all of this money from these loans, so that you don't get kicked out of this building  
4 and you've got to come up with \$250,000.

5 MS. BUTCHER: Is that a question?

6 MR. HANSON: Sounds pretty much like a response, I mean . . .

7 A. TRANSLATOR: It was a situation where I had to buy the building in order  
8 not to get kicked out. And also because \$60,000 was from the Kea, it was already in, in there.  
9 It's not like I had to take, make the money out from nowhere. And also \$40,000 was  
10 available at the time and I had enough time to get that money for him. And, because Mr. Kim  
11 is a good friend of mine.

12 Q. So you're saying it was no big deal you had to get, basically \$350,000 together  
13 in three months?

14 OBJECTON: Mischaracterizes testimony.

15 A. Yes, I did and that's why I'm having a difficult time now.

16 Q. So would it then have been a little bit easier just to tell Mr. Kim, I'm sorry but  
17 I can't loan you \$100,000?

18 A. Yes. And I wouldn't have, I wouldn't have to go through this one.

19 Q. Alright. I'm going to show what I've, what was stamped KSK document  
20 number 224. Can you look at that for me please. Have you seen that before?

21 A. DEPONENT (in English): I think I signed it.

22 A. Because I signed it.

23 Q. Okay. That's your signature at the bottom?

24 A. Yes.

1 Q. Do you see any date, do you see up there on the top right hand corner where it  
2 says the date is, it has the date on it? September 30 2005?

3 A. Yes.

4 Q. Okay. Do you know what this document is?

5 A. It is my financial statement.

6 Q. Yours and your wife's financial statement, right?

7 A. Yes.

8 Q. Can you show me, on this document, where it shows that you have a \$100,000  
9 loan that you made to Park Hwa Sun or Kim Hang Kwon, or anybody?

10 A. That, no.

11 Q. Can you show me on there where it says that you owe, Seo Yong Ki, \$70,000  
12 under a promissory note?

13 A. No. Problem there.

14 Q. What about the, the loan from Yoon Ja's mom, where is that. Can you show  
15 me where that is on there?

16 A. I don't know.

17 Q. Now at the bottom you signed it, right?

18 A. Yes.

19 Q. And, you signed it knowing that it didn't show all of these loans that you have?

20 A. That I signed without knowing. That I didn't know without, without, without  
21 knowing that I signed it.

22 Q. Without knowing that you signed it, what does that mean?

23 A. I didn't check with the loans that I have, for, from other people.

24 Q. You just didn't put them on there?

1 A. Yes, maybe.

2 Q. Is this a true and accurate copy of what you signed? Look at it carefully, look  
3 at both pages.

4 A. I don't know what I signed back then, I don't know the content of it.

5 Q. You didn't know the content, you just signed?

6 A. The, the loans that I had is not written on there, but I signed it.

7 Q. Okay.

8 MR. HANSON: I'm going to need to authenticate documents. You can stipulate that  
9 all of the documents you gave me are authentic and that would alleviate my concerns. We  
10 don't necessarily have to do this now, but if we can't I need somebody to authenticate the  
11 documents and I either have to do that through a request for admissions or something else.  
12 But since it's after the discovery cut-off date, if we can agree that we can handle it that way  
13 then we can do that later. Do you know what I mean?

14 MS. BUTCHER: We can do that later.

15 MR. HANSON: But all the documents you gave me...

16 MS. BUTCHER: Right.

17 MR. HANSON: I just want to make sure that you guys agree that those are authentic  
18 documents, they came from you so I don't think it should be that big of a deal. But that I  
19 haven't, that nobody has doctored them. That they're like, for example, this document is a true  
20 and correct copy of what's in the company's files.

21 MS. BUTCHER: We can do that later.

22 Q. Okay. We'll go... You ah, you then entered into a new lease with the Lucy  
23 Sablan for the laundry property, right?

24 A. Extension.



1 Q. A new lease.

2 A. The laundry?

3 Q. Lucy Sablan, right, the Laundromat, the laundry and the poker, Welcome.

4 A. Yes, yes.

5 Q. You signed a new one right?

6 A. DEPONENT (in English): Yeah. Ten year lease, 55 year lease.....

7 A. Okay maybe the landowner was sick, so he, he has given, she has given her,  
8 she has given her son the authority, so the lease was extended to 55 years.

9 Q. And that's, that's in your name now, right? He signed a new lease in your  
10 name, not in KSK's name?

11 A. I believe so, it's under my name.

12 Q. Right. The old, the lease when you changed it from Park and Kim was in your  
13 wife's name, right?

14 A. Yes.

15 Q. But now it's in your name?

16 A. Yes.

17 Q. You had to pay \$15,600 up front, is that right?

18 A. It was, it was a payment of, monthly payment of 1,300 a month, but when the  
19 lease was changed to 55 years, they asked for four month's deposit. All of it was paid except  
20 three thousand.

21 Q. How much did you pay?

22 OBJECTION: Vague as to time.

23 MR. HANSON: I'll get there.

24 A. 17,800.

1 Q. Alright, so you gave the Sablans, 17,800, when, when was that?

2 A. On installment. It started last ... It started last year, towards the end of last  
3 year, up until now it's all paid up.

4 Q. Didn't you agree . . . I'm going to show you what's been Bates stamped KSK  
5 document 478 through 484.

6 MS. BUTCHER: Can we go off the record, for just a minute.

7 Q. Sure. We'll go off the record, it's 4:34.

8 [OFF RECORD – 04:41:24]

9 MR. HANSON: Okay we're back on the record after a short break in the deposition  
10 of Kim Ki Sung. The time is 4:40 on April 10<sup>th</sup> 2008, and we were talking to Mr. Kim. We  
11 were asking him about the lease that you re-did with Lucy Sablan for the property where the,  
12 what's now, Shany Laundry and Shany Poker is located? Shany II, is that right?

13 A. Shany.

14 Q. And I show you what I, what, what, it has been Bates stamped document KSK  
15 document number 478 and 484 and you're looking through that now, right?

16 A. Yes

17 Q. Do you see on the second page which is 479 about halfway down, it says that  
18 you were going to pay \$15,600 on . . . when you signed the lease?

19 A. Yes.

20 Q. Did you pay that \$15,600 when you signed the lease?

21 A. No, not all of it because the business, the economy wasn't good. 3,000 is  
22 remaining.

23 Q. 3,000 is remaining?

24 A. Yes.

1 Q. From the 15,600? Is that right?

2 MR. HANSON: Do you need to answer your phone. Okay, we'll go off, off record  
3 for just a moment.

4 [OFF RECORD – 04:43:20]

5 MR. HANSON: Okay we're back on record after just a brief 30 second break. So,  
6 Mr. Kim you paid, this was, you signed this lease in December 2007, right?

7 A. Yes.

8 Q. So that was only about 4 months ago?

9 A. Yes.

10 Q. And, you didn't make the \$15,600 up front payment for the first year, is that  
11 correct?

12 A. Yes.

13 Q. But you've already paid 13, how much have you already paid for the first year?

14 A. Except 3,000.

15 Q. So 12,600 is that right?

16 A. Yes.

17 Q. Where did that \$12,600 come from to pay for the first year of this lease?

18 A. The company money.

19 Q. And so, from KSK Corporation?

20 A. Yes.

21 Q. You purchased the Susupe property of Kim and Parks at that auction that I  
22 had, isn't that right?

23 A. Yes.

24 Q. And you paid \$48,000 is that right?

1 A. Yes.

2 Q. You also bought a lot of other things from the property like plants and shelves  
3 and lots of things, right?

4 A. Partial, yes.

5 Q. Where did you get the money for all, for the \$48,000 and for the rest of the  
6 things that you bought from the house, where did that money come from?

7 A. I borrowed from my wife's friend.

8 Q. What's your wife's friend's name?

9 A. DEPONENT (in English): Mr. Lee wife.

10 Q. Mr. Lee's wife?

11 A. DEPONENT (in English): Yeah.

12 Q. So that's your friend's wife?

13 A. My friend's wife.

14 Q. Not your wife's friend?

15 A. Yes.

16 A. DEPONENT (in English): She wife.

17 Q. She loaned you how much money?

18 A. About \$40,000.

19 Q. When was that that she loaned you 40,000?

20 A. After the auction, I didn't have enough money so I asked her.

21 Q. So, when was it that you borrowed 40,000?

22 A. TRANSLATOR: The auction was in 2007, so sometime in May 2007.

23 Q. Okay. Have you paid her back yet?

24

1 A. Not yet.

2 Q. Any of it?

3 A. Not yet.

4 Q. How do you plan to pay that back?

5 A. The time is until next year, so I'll find a way.

6 Q. Did you do a promissory note?

7 A. Yes, I gave her.

8 Q. Do you have a copy of that.

9 A. Not her, she would make it.

10 Q. You don't, you don't keep a copy of the promissory note?

11 A. Not me.

12 Q. What's her name?

13 A. Lee Kyung Yee.

14 Q. Yee?

15 A. Kyung Yee.

16 Q. Kyung. K-y-u-n-g

17 A. Yee.

18 Q. Y-e-e?

19 A. Yeah, Y-e-e.

20 Q. Like that?

21 A. Yeah.

22 Q. And she, where – how do you spell her name again. I spell her like that, I

23 don't know if that's right.

24 A. L-e-e

1 Q. Oh, Lee, oh yeah, yeah, because it's Mrs. . . . sorry Lee Kyung Yee. L-e-e K-  
2 y-u-n-g Y-e-e. She ah, does she stay at Golden Bird? Where does she live?

3 A. My friend's wife.

4 Q. Where does, does, does she, where's her house?

5 A. Susupe.

6 Q. Where in Susupe?

7 A. H.S. Lee Apartment.

8 Q. H.S. Lee Apartment. Do you know what number?

9 A. No.

10 Q. Okay. Try to wrap this up. Can you just look here first. About the, the loan  
11 that you got from FSM Bank. You, you borrowed \$100,000?

12 A. Yes the, the attorney in Garapan helped me with that.

13 Q. When did you apply for the loan?

14 A. September, September, September last year two thousand . . . I don't know.

15 A. DEPONENT (in English): I don't know .. money, some time

16 A. But very fast.

17 Q. Well you, when did you receive the, the loan money?

18 A. Towards the end of January, January 26<sup>th</sup> or something like that. In January.

19 Q. What year?

20 A. 2006.

21 Q. Okay, so September, that's four months, right?

22 A. After we, after we filed, I don't know exactly how many, how many days or  
23 months but, around that time.

24 Q. And you consider four months to get the loan, fast, very fast?

1           A.     Because I didn't expect it. Because I also asked Bank of Guam, but they  
2     denied. I didn't expect to actually receive the loan money.

3           Q.     Why did you ask for the loan?

4           A.     Because we were thinking about opening a wholesale or the bakery.

5           Q.     Did you open up a wholesale, after you got the money?

6           A.     No. No because it cost more money than, than that.

7           Q.     Did you open up the bakery after you got the money?

8           A.     No.

9           Q.     What did you do with the \$100,000?

10          A.     Part was to pay off the loan and to purchase the machines, Laundromat  
11     machines.

12          Q.     The loan, what loan?

13          A.     About the \$70,000 I borrowed from...

14          Q.     You ah, when you were applying for the loan, you submitted a breakdown to  
15     show how much that you thought it would cost for the general merchandise store, the general  
16     merchandise wholesale business that you wanted and for the bakery, do you remember that?

17          A.     Yes, I remember it, but as, as it, as it came about, when I really looked into the  
18     inside story of the business, it actually costed a lot more than I'd anticipated.

19          Q.     You didn't do that before you told the bank you were going to use them money  
20     for the wholesale business? You didn't, and the bakery? You didn't look into it before you  
21     made those representations to the bank?

22          A.     That yes, and I also tried to get the loan from the Bank of Guam and from the  
23     Bank of, Bank of Saipan.

24          A.     And because the FS, FSSN

1 A. Yeah.

2 A. FSSM have loaned a lot of money for Korean business, businesses here.

3 Q. What, when you applied for the loan at the Bank of Guam, what did you tell  
4 them you needed the money for?

5 A. That, I don't remember, but for business.

6 Q. Did you say you needed it to open a bakery shop?

7 A. I believe so.

8 Q. Did you tell that same thing to Bank of Hawaii when you applied for a loan  
9 from the Bank of Hawaii?

10 A. Not to Bank of Hawaii.

11 Q. What did you tell the Bank of Hawaii you needed the money for?

12 A. Only Bank of Saipan.

13 Q. You told the Bank of Saipan that you needed the money for what?

14 A. I also asked Bank of Saipan for the same reason, but they denied also.

15 Q. What did you tell the Bank of Hawaii that you needed the money for?

16 A. I didn't ask Bank of Hawaii for the loan.

17 Q. Okay, Bank of Guam, Bank of Saipan, Bank of FSM.

18 A. Yeah.

19 Q. Anybody else, any other banks?

20 A. No other bank.

21 Q. Seo Yong Ki – well, wait, wait, wait, let's go back. You said you decided a  
22 bakery business, too expensive, general ...merchandise and wholesale, too expensive to use  
23 the money for that. When did you decide that, when did you do that research and decide that?

24 A. We were going to open up a bakery shop in Payless, but the space didn't work



1 out and also to do a wholesale I had to purchase the building so it was costing a lot more, so it  
2 didn't work out.

3 Q. When did you find out that it wasn't going to work out?

4 A. It was since 2005, continuously, I've been doing the research.

5 Q. Okay, and at the very end of 2005 is when you applied for the loan, right?

6 A. That's when I, from two thousand . . . from two thousand . . . from 2005 till  
7 the, towards the beginning of 2006 I was doing the research, but it didn't work out.

8 Q. When did you finally determine that it wasn't going to work out with the  
9 bakery shop and the general merchandise wholesale business?

10 A. Between 2005 and 2006. The wholesale that I looked into was already sold  
11 and the person moved back to the States, and the bakery shop in Payless, also didn't work out.

12 Q. Did you know that before you applied for the loan at FSM Bank?

13 A. No, I didn't. And it didn't work out.

14 Q. I know it didn't work out. What I'm asking you is – when did you make the  
15 determination that you weren't going to do the bakery shop?

16 A. Sometime between 2005 and 2006.

17 Q. Big period of time. Well, you said that you hadn't made that determination yet  
18 when you applied for the loan from the Bank of FSM, is that right?

19 A. Okay. When I first applied for the loan I didn't know, but as it was getting  
20 finalized, I realized that it wasn't enough.

21 Q. When it was getting finalized. I'm going to show you what's been previously  
22 Bates stamped KSK document numbers 229 through 231, which is a letter dated January 17<sup>th</sup>  
23 2006. Do you see that?

24 A. Yes.

1 Q. And that's from the Bank of FSM, right, to your wife?

2 A. DEPONENT (in English): Yes.

3 Q. Can you look at that for me and tell me if you remember that document?

4 A. Yes. I remember.

5 Q. You see the, on the first page there, a little bit down, where it says purpose.

6 Did you read this document when you, when it was presented to you?

7 A. Not exactly.

8 Q. Did anybody explain it to you what that document says?

9 A. From an attorney's office.

10 Q. Okay.

11 A. A translator there.

12 Q. A translator translated that document for you?

13 A. DEPONENT (in English): Yes, yes.

14 Q. In Korean?

15 A. DEPONENT (in English): Yes.

16 Q. Do you, do you see, read right here it says, it says the purpose, I am reading  
17 from the document now - Working Capital for wholesale of grocery merchandise and bakery  
18 shop. Do you see that?

19 A. Yes.

20 Q. Was that, was that translated to you?

21 A. I don't remember. I don't, I didn't, I don't remember in detail, but the purpose  
22 for the loan was for the wholesale and the bakery shop.

23 Q. Okay. And if you the third page, is that your signature, with your wife's on  
24 page 3?

1 A. Yes.

2 Q. So you signed and agreed to all that, that was in that document?

3 A. Yeah, yes.

4 Q. After it was translated to you in Korean?

5 A. Yes.

6 Q. That was January 16, 17<sup>th</sup> 2006?

7 A. Yes.

8 Q. Well you signed it on January 18<sup>th</sup> 2006. Is that right?

9 A. Yeah.

10 Q. Yes, okay. So still as of January 18, 2006 you hadn't decided that you couldn't  
11 do a bakery?

12 A. Yes, at that time.

13 Q. So you, at that time you were still going to do a bakery? It was still your intent  
14 to do a bakery?

15 A. Yes, but it didn't work out.

16 Q. Okay. When after, so it didn't work out some time after January 18<sup>th</sup>. Is that  
17 fair to say?

18 A. Yes, because we needed more money. Yes, the wholesale didn't work and the  
19 bakery shop also didn't work.

20 Q. It didn't work, but as of January 18<sup>th</sup> you thought it still was going to work? Is  
21 that what your testimony is?

22 A. Yes.

23 Q. Okay. How long after you signed this document saying that you were going to  
24 use the money for a bakery and for a wholesale general merchandise did you realize that that

1 just wasn't going to work out?

2 A. I don't remember the date.

3 Q. Okay. I'm going to show you...

4 A. After I applied for the loan it didn't work out.

5 Q. Alright. Right, I understand that, what I'm trying to figure out is, when you  
6 made the determination that it, it wasn't going to work out.

7 A. Maybe January, after the, after I submitted the application, before the loan  
8 came.

9 Q. Before the loan came?

10 A. Before, before I signed the loan, during the sign, the signing of the application.

11 Q. That's during the signing of the application is when you determined that, that it  
12 just wasn't going to work out?

13 A. Yes.

14 Q. I'm going to show you what's been marked as KSK document number 296. Do  
15 you recognize that?

16 A. Yes.

17 Q. What is that?

18 A. That's a payment, it's, the loan came in and I had a debt to pay off, the money  
19 was already loaned to, and since I had the, I had to pay off, I used that to pay off.

20 Q. So by, by this time that you used the money to pay off this loan, you had  
21 already decided that the bakery shop and the merchandise business weren't going to work  
22 out?

23 A. Yes. As the loan was applied, we found out that the building needed to be  
24 bought for the wholesale and the, the bakery shop, and the space didn't work out. So, we

1 already knew it wasn't going to work out.

2 Q. So did you already know that when you signed this document? And I'm  
3 referring to this document as the KSK documents 229 through 231.

4 A. Yes. We knew it was, it was not enough.

5 Q. So you knew you weren't going to be able to a bakery shop and wholesale  
6 grocery merchandise business when you signed this January, when you signed this letter on  
7 January 18<sup>th</sup> 2006.

8 A. Okay. We thought 150 was what was needed for that, so the business, but  
9 after, after I signed we found out that we needed more, 350,000. So it didn't work.

10 Q. So when did you find out you needed 350,000? That's what I'm trying to  
11 figure out.

12 A. After I had, after I applied for the loan.

13 Q. After you signed this, or after you applied for the loan? These documents are  
14 229 through 231.

15 A. 2005 November, December.

16 Q. So you knew, is whole time, when you were telling the bank that you were  
17 going to use the money for the bakery and the general merchandise, hat you never were going  
18 to do that?

19 A. Okay. The bakery shop, the owner said no, basically after I had applied for the  
20 loan and the wholesale, I needed to purchase the building. This was discussed after the loan  
21 was applied. So that's why it didn't work out.

22 Q. Right, gotcha. I'm with you. But what I'm talking about is this January 18  
23 2006. You with me?

24 A. DEPONENT (in English): Yeah.

1 Q. You signed something saying you were going to take this \$100,000 and use it  
2 for a bakery shop. But you never were going to open a bakery shop, isn't that true?

3 OBJECTION: Mischaracterizes prior testimony.

4 A. No I knew that after I . . . I knew that after I signed for the application for the  
5 loan.

6 Q. But when you signed this January 18<sup>th</sup> 2006 letter, did you already know that  
7 you were not going to open a bakery shop? That's my question, I'm not asking you about  
8 before. I'm asking you about this date, January 18<sup>th</sup> 2006. Do you understand? On that day,  
9 did you know ...

10 A. Yes.

11 Q. . . . that you were not going to open a bakery? It's a very simple question,

12 OBJECTION: Argumentative.

13 A. Yes, I knew.

14 Q. You knew you weren't going to open a bakery shop on January ... as of  
15 January 18<sup>th</sup> 2006 you already knew you weren't going to do a bakery?

16 A. Yes I knew.

17 Q. And as of January 18<sup>th</sup> 2006 you already knew you weren't going to do a  
18 general merchandise wholesale business?

19 A. Yes.

20 Q. Okay. That was my question all the time. Now. Seo Yong Ki is the owner of  
21 Chung Wan Restaurant, is that right?

22 A. DEPONENT (in English): Before. Yeah. Before.

23 Q. Before, when before, when did he start....

24 A. DEPONENT (in English): I don't know. Now...

1 Q. How about when you gave him this money, was he still the owner of the  
2 restaurant?

3 A. Yes, at that time.

4 Q. Do you know if he and Mr. Kim Hang Kwon know each other?

5 A. I don't know.

6 Q. Did you know Mr. Kim Hang Kwon had a little poker place in this building?

7 A. No.

8 Q. Do you know anything about any of that?

9 A. No.

10 Q. No. Have you ever seen Mr. Seo Yong Ki and Kim Hang Kwon together?

11 A. No.

12 Q. Have you ever played golf with them before?

13 A. No.

14 Q. Not at all?

15 A. DEPONENT (in English): No golf.

16 Q. You've never seen them together, you've never been, the three of you, together  
17 before?

18 A. DEPONENT (in English): No.

19 Q. Okay. Now I think your attorney has talked to you about it, I don't know. But  
20 you provided some checks from KSK Corporation and I think we talked a little bit this  
21 morning. And there's a lot of them missing. Okay we'll take a look, we'll go off record for  
22 just a moment. Well...

23 A. I check all the checks in the house, I didn't have them. Not perfectly, but I  
24 didn't have all the checks.

1 Q. All the, I got to tell you, first of all my observation was all the big ones, 20, 30  
2 and 40,000 dollar checks, those aren't there.

3 A. I'll ask the bank for microfilm.

4 Q. Okay, so you're going to go get the rest of the checks that are missing from  
5 here and that other period?

6 A. Yeah.

7 Q. My, I was interested in your, your, these are also, at some point in time you  
8 switched from Bank of Hawaii, KSK Corporation account, and you opened up a corporate, a  
9 KSK Corporation account at Bank of Saipan, is that right?

10 A. When I was in Korea my wife somehow bounced a check and the bank closed  
11 the account.

12 Q. Um, so that's why you switched to the Bank of Saipan?

13 A. Yes.

14 Q. Now some, the checks that you also haven't given me are your checks, the Kim  
15 Ki Sung account.

16 A. DEPONENT (in English): Bank of Hawaii.

17 Q. Bank of Hawaii.

18 A. Only the returns, but I've only got some more, I'll check with the bank.

19 Q. Yeah, please get those from the bank. Because it looks to me like from your  
20 bank statements that you were using that for business, right?

21 A. DEPONENT (in English): Yeah.

22 Q. Were you using your, your personal account Kim Ki Sung, for business?

23 A. I don't remember.

24 A. DEPONENT (in English): Let me check.



1 Q. Well you remember making a, I mean, correct me if I'm wrong, but I looked at  
2 it and it looks like you were depositing a lot of times, 20, 25,000 a month into that account.

3 A. I will check with that.

4 Q. Well do you remember, were you using that account for business? Putting  
5 KSK money into that account, taking out money from poker?

6 A. Please do not separate me from KSK.

7 Q. You don't want me to separate you from KSK?

8 A. Yes, this is all my, it's under all my operation.

9 Q. What did he say?

10 A. It's all under my operation.

11 Q. So it's all the same?

12 A. I try not to use my personal account but sometimes it happens.

13 Q. So, is it fair to say that when I see deposits into your personal account for  
14 \$10,000 that that money is coming from KSK Corporation business?

15 A. That's a possibility.

16 Q. Is, where, would you be getting large sums of deposits like that from other  
17 sources to deposit into your personal account?

18 A. Somewhere, I don't know.

19 Q. Do you have any, do you have any money, any revenues any cash, that you  
20 have access to, coming from any source other than KSK businesses?

21 A. No.

22 Q. So the money that you would be depositing into your account would be from  
23 KSK, is that right?

24 A. Yes, only from KSK.

1 Q. Other than the issues with documents that we agreed to work out, off, you  
2 know, after the deposition, a lot of, a lot of documents of which I still may have questions,  
3 but we can talk about how to deal with that later. I don't have any further questions, today.  
4 Ms. Butcher do you have any questions?

5 MS. BUTCHER: No questions.

6 Q. Okay. Then with that, I want to thank you Mr. Kim for coming. Thank you  
7 Miss Kim for translating, thank you Miss Butcher for being patient with me. And I will now,  
8 unless anybody has anything further to put on record. Nothing from ah...,

9 MS. BUTCHER: Nothing.

10 Q. Okay then, with that I will close this deposition and I thank you all. The time  
11 now is 5:22 on April 10<sup>th</sup> 2008, and this deposition is closed.

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13 END OF DEPOSITION – 05:21:13

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LIST OF EXHIBITS:

Exhibit KSK Doc. #021	Annual Corporation Report 2006
Exhibit KSK Doc. #224-225	Bank of Federated States of Micronesia Confidential Financial Statement
Exhibit KSK Doc. #229-231	Bank of Federated States of Micronesia Loan Approval Letter for KSK Corporation.
Exhibit KSK Doc. #234-240	Assignment of Lease between Jou, Dae Hyun and Kim, Ki Sung dated March 28, 2005
Exhibit KSK Doc. #478-484	Lease Agreement between Lucy Ann Tudela Sablan & Kim Ki Sung dated December 19, 2007
Exhibit KSK Doc. #530-534	Employment Contract of Kim Ki Sung (KSK Corporation) dated November 16, 2005
Exhibit KSK Doc. #543-547	Employment Contract of Kim Ki Sung (Golden Bird Corporation) dated November 12, 2004
Exhibit KSK Doc. #555	Authorization for Entry of Kim Ki Sung (Golden Bird Corporation) issued on November 16, 2001 and expires on November 16, 2002
Exhibit KSK Doc. #557-559	Non-Resident Worker's Affidavit of Kim Ki Sung (Golden Bird Corporation) dated October 5, 2001

CERTIFICATE

I, KIM KI SUNG, hereby certify that I have reviewed the pages of the foregoing testimony of this deposition and I hereby certify it to be a true and correct record.

Date: \_\_\_\_\_

\_\_\_\_\_  
KIM KI SUNG

### RULE 30(f)(1) Certification

I, Mark B. Hanson, do hereby certify:

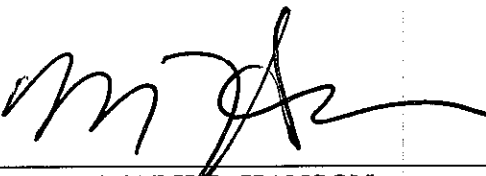
That the foregoing deposition was taken by digital voice recording on the 10<sup>th</sup> of April, 2008 in the office of Mark B. Hanson and that the deponent was duly sworn by the undersigned Notary Public for the CNMI;


That the foregoing pages are a true and accurate record of the testimony of the deponent made from the examination record made at the time of the deposition and transcribed under my direction and thereafter verified by me to the best of my knowledge and ability;

That no Rule 30(e) review was requested before completion of the deposition; and

That the deponent has been notified, this day, of the completion of this transcript, the original of which is hereby filed with the office of Mark B. Hanson.

Sworn this 8<sup>st</sup> day of May, 2008 in Saipan, Commonwealth of the Northern Mariana Islands.

  
\_\_\_\_\_  
MARK B. HANSON



MARK B. HANSON  
NOTARY PUBLIC  
Commonwealth of the Northern Mariana Islands  
My Commission Expires: Dec. 8, 2008  
P.O.Box 5682 CHRB Saipan, MP 96950